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Statement of

MR. FRANK C. CARLUCCI

Nominee for Deputy Director of Central Intelligence
for Senate Select Committee on Intelligence

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NOMINEE FOR DEPUTY DIRECTOR OF CENTRAL INTELLIGENCE
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Mr. Chairman, members of the Committee, I am pleased to appear before this committee to discuss my qualifications for the position of Deputy Director of Central Intelligence. I also appreciate the opportunity, Mr. Chairman, for this early hearing, as well as the courtesy and professionalism with which this Committee and its staff have conducted the investigation that preceded this hearing.

I would also like to thank Senator Schweiker for appearing today, and both him and Senator Heinz for their kind words about my qualifications.

The Committee has my biography, so I will not review my career except to say that I am fortunate in having had diversified Government experience, including service in domestic as well as foreign affairs agencies. The positions I have held during the last eight years have afforded me the opportunity to work closely with the Congress, including several members of this Committee, on a wide range of issues. I have learned how important a cooperative relationship between the Executive and the Congress is to the effective functioning of our Government. I, therefore, pledge myself -- if confirmed -- to work closely with this Committee, its counterpart in the House, and with the respective Subcommittees of the Appropriations Committees which have budgetary oversight of intelligence agencies.

As I reflect on the responsibilities of the position for which I have been nominated, I am impressed with the importance of the issues the Intelligence Community and this Committee face. Many of them are basic to the survival of our democratic institutions. On the one hand, we must continue to improve our intelligence effectiveness. In part this means protecting information from public disclosure lest such disclosure undermine this effectiveness. On the other hand, we all recognize the need for accountability of our intelligence agencies and for safeguarding the basic freedoms of our citizens. This may mean making more information available about our intelligence organization. The challenges posed by these often conflicting needs are obvious and very familiar to this Committee.

As far as I know, no other modern society has attempted such a fundamental, difficult and complex task. Yet, I am confident that these problems can be resolved. I am confident that we can succeed in striking that balance which will enable a necessarily secret agency to accomplish its mission and still remain true to the principles of an open and free society -- a society in which the rights of the individual are paramount.

On January 24th, President Carter signed a new Executive Order. It strengthens coordination within the Intelligence Community. It establishes procedures within the Executive to enhance cooperation with the Congress. It erects safeguards against abuses such as those that have recently come to light and that have troubled us all. At the invitation of the President, this Committee actively participated in the drafting of

that Executive Order. If confirmed, I will cooperate with this Committee as it exercises its oversight responsibilities to ensure compliance with the Executive Order.

Contrary to allegations in the Lisbon Communist press, I have never been on the CIA payroll; but as a Foreign Service officer I have had a working relationship with the Agency and have been a user of the Intelligence product. I have also been involved in intelligence budgets, and I am familiar with both the problems and the benefits of interagency coordination. Thus, I approach the position for which I have been nominated with a certain set of perceptions, assumptions or perhaps even biases depending on your point of view. I think it appropriate to present them to the Committee.

First, I am absolutely convinced that good decision-making requires good intelligence. I have seen good intelligence reports turn a potentially unsuccessful policy into a successful one. I have also seen the undesirable effects of poor intelligence. We must continue to set high standards for ourselves to ensure the careful collection, precise reporting, critical analysis, and concise and clear presentation that are the ingredients of success of any intelligence organization.

Second, I know from my experience as a reporting officer how painstaking a process it is to develop an overt relationship of confidence with foreigners who are constantly subject to a propaganda barrage which distorts our motives and which questions our strength of purpose.

To develop a relationship which enables our government to obtain information in sensitive areas is an even more painstaking, delicate and sometimes risky process. We need to recognize, more than we do, that human intelligence collection is a slow step-by-step process which often takes years of seed work to develop a fruitful source. It is a highly professional skill.

Third, in my experience with domestic programs, I have seen how the rights of citizens can be ignored or even abused by insensitive Government machinery -- even in so-called open agencies. I was a strong advocate of the controversial OEO legal services program for that reason. I have also seen in foreign governments how excessive secrecy and/or lack of an adequate machinery for accountability can turn a foreign intelligence agency from a national asset into an instrument of oppression. We must constantly strive to avoid this danger in our own country.

Fourth, I have become a strong advocate of interagency coordination. In the domestic area I was keenly interested in the Federal Regional Council system. In the foreign policy area, I have seen the constant temptation to compartmentalize our information-gathering process. Duplication, false confirmation and faulty decision-making are the inevitable results of this tendency. In several of my assignments overseas, I established or implemented procedures for coordination between the collectors of intelligence and Embassy reporting staffs. I believe this enhanced the value of the product to Washington users. The coordinating role given the Director of Central

Intelligence by the new Executive Order is a positive step in resolving this problem.

Fifth, and perhaps most important, I have had the privilege of working with intelligence professionals from the lowest to the highest level. While I did not normally know their sources and methods, nor, did I need to, I was able to benefit greatly from their information and to appreciate the motivation, objectivity, self-sacrifice and physical and moral courage with which they approached their sensitive and, at times, dangerous jobs. Human nature being what it is, we all seek recognition. Most of us can receive it openly. Not so the intelligence professional. His or her reward must come from the quality of his product and its value to the user. He or she must draw satisfaction from the fact that they are serving their country in ways that sometimes even their family cannot know. This, I submit, is the essence of patriotism.

I confess to a strong reaction when the Lisbon press produced a so-called 'expose' by a former CIA employee, pinpointing addresses of alleged CIA officers in Lisbon, even to the point of telling people which way to turn to reach a particular apartment when they get off the elevator. I watched understandably worried officers uproot their families and move from house to house, finally leaving the country before the end of their normal tour. If confirmed, I would appreciate an opportunity to have a dialogue with this Committee on ways to deal with this type of cold-blooded irresponsibility while still protecting the basic rights of American citizens.

The role of Deputy Director of Central Intelligence has varied both in scope and authority throughout the history of the CIA. While one can never be precise about one's anticipated responsibilities, I believe it important that I try to describe to the Committee as best I can how Admiral Turner and I intend to operate. I might note that Admiral Turner and I have discussed this subject in-depth, and that I accompanied Admiral Turner when he described my responsibilities to the President.

Simply stated, we intend to adhere closely to the National Security Act of 1947 which established a single Deputy Director of Central Intelligence "who shall act for and exercise the powers of the Director during his absence or disability." Both Admiral Turner and I agree that the single deputy concept is most effective. This means that when Admiral Turner is away, I will assume his Community-wide responsibilities as well as his CIA responsibilities.

As a practical matter, Admiral Turner and I have discussed how we will divide our time. I will assume the day-to-day operating responsibilities of the Agency. I will, of course, discuss all major policy questions with Admiral Turner, but he and I anticipate that I will be able to take much of the Agency decision-making and, to a lesser extent, representational responsibilities off his hands, thereby freeing him to devote more of his attention to his Community-wide responsibilities.

This does not mean that Admiral Turner will not continue to interest and involve himself in CIA. On the contrary, we anticipate that this will enable him to delve more deeply into basic policy questions and to have

more substantive contact at all levels. For example, we have already discussed a program that will enable Admiral Turner to make regular visits to the Agency's overseas establishments. Nor does it mean that I will not concern myself with Community questions. With the new Executive Order, it is essential that I remain abreast of what is happening to the Community in order to fulfill my responsibilities as the day-to-day manager of the CIA and to substitute for the Director of Central Intelligence in his Community responsibilities in his absence. But it does mean that we will have different areas of emphasis, at least initially. I believe that this arrangement should present no problems to the NSC, the Community, the CIA or the Congress. On the contrary, it should enable us to be more responsive to all four.

During my visits with several members of the Committee, questions have been raised about the personnel reductions that have been directed by Admiral Turner. I am sure the Committee will understand that I cannot make a judgment on such a difficult and sensitive issue until I am actually on the job. When I do, I will present my views to Admiral Turner. I can, however, make a generalization or two.

My past experience indicates that all agencies tend to continue with staff long after program requirements have altered, and that constant pressure from the top is necessary to make sure that all employees are being suitably challenged. Top level attention is also needed to ensure that each employee has a career development program and that suitable opportunities are available for him when he reaches the most productive years of his career. I recall the so-called "grade creep" exercise of several years ago which documented conclusively that all Departments

and Agencies have a tendency to bunch up at the top and to take the shape of a pear rather than a pyramid. In the foreign affairs area, this phenomenon tends to be more prevalent in headquarters than in the field offices.

At the same time, I have learned the importance of communicating fully and personally to employees the reasons for managerial, organizational or personnel alterations. They must understand how the changes will enable them better to perform their mission. Admiral Turner fully shares this view and has devoted a substantial amount of time to doing this. Should this Committee confirm me, both of us intend to devote even more of our time to this effort.

Let me close, Mr. Chairman, by underscoring that I feel a keen sense of mission in approaching the responsibilities I will assume should the Senate confirm me. I am pleased at the prospect of working with Admiral Turner, whom I respect and admire. I am also pleased at the prospect of working with this Committee. I am confident we can meet the challenges as we move ahead together to strengthen our nation's intelligence capacity.

Thank you, Mr. Chairman and members of the Committee for your attention. I am now ready to respond to your questions.

CARLUCCI
+
BLAKE
REMARKS

PUBLIC AFFAIRS STAFF

Mr. Frank Carlucci's
Swearing In Ceremony

Executive Dining Room

February 10, 1978

ADMIRAL STANSFIELD TURNER: Well, I'm privileged, very privileged this afternoon to swear in Frank Carlucci as the Deputy Director of Central Intelligence.

[Swearing-in]

ADMIRAL TURNER: Congratulations.

[Applause]

ADMIRAL TURNER: If I could just briefly say how delighted I am that this moment has arrived. You could not have been stationed or present in Europe any time in the last four years, as I was part of that time, without having heard of and known about the United States Ambassador to Portugal. He was a legend because of his ability to get things accomplished.

I first personally knew of his accomplishments when I went to a conference in the spring of '76 in Garmisch at which he was present. I not only enjoyed being with him at the conference, but I did not enjoy the fact that when I got on the tennis court with him I came out far on the losing end.

[Laughter]

But we're going to make up for that next summer when we get the first CIA tennis courts.

[Laughter]

FRANK CARLUCCI: I'm glad you've made that decision.

ADMIRAL TURNER: We are really very privileged that Frank would leave an important, exciting, critical post for the United States, as Ambassador to Portugal. We're very grateful that he would also, again in his career, leave the pattern of his foreign service and elect to join us because he feels it's important.

He has such a breadth of experience behind him, in the OEO, the OMB, HEW, and now, we're happy, three more alphabet letters, the most important in the government. And he brings to us a breadth of background and governmental experience, a breadth of outlook on international affairs, a tremendous reputation in management, and a man of tremendous integrity.

I know that you all will enjoy working with him and that we all will benefit from the leadership, from the example, from the managerial style that he will give to this organization.

Frank, welcome. We're delighted that you're here.

[Applause]

CARLUCCI: Thank you very much, Stan, for your overly kind words.

First of all, I'd like to thank everybody who came to this ceremony on such short notice. And I am particularly appreciative of the presence of representatives from the Hill, because I think that symbolizes the kind of close relationship that the intelligence community has and intends to maintain with the Hill. And I would like to express my appreciation, too, to the members of the Senate Select Committee staff who are here for their very courteous handling of my confirmation process. In fact, there are at least two people in this room who know more about me right now than my wife knows.

So there are two people, Honey, that I will not introduce you to.

[Laughter]

I would also like to thank [redacted], because if there was ever a case of somebody going above and beyond the call of duty, it was [redacted], who postponed his retirement to see me safely through the confirmation process.

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Thank you, [redacted]

I approach my new responsibilities with a sense of great enthusiasm, but also with a keen sense of humility, humility for two reasons. First, because, as Admiral Turner said, the task is so important. The external threat is quite clear,

and it's growing. And we're going to have to run fast just to keep up. But it's clear that our intelligence community has to remain the finest in the world.

At the same time, we are involved in a process that is very fundamental to our democracy: how do you make a secret agency accountable in a free society? It's a difficult question, and we'll be engaged in an intense dialogue with the Congress on this issue.

But, under the President's leadership and Admiral Turner's guidance and with the goodwill that exists between the intelligence community and the Congress, I am sure we can resolve these issues in the overall interest of the nation.

I approach my job with a sense of humility, in the second place, because I have worked with members of the intelligence community, from the lowest level to the highest level. And I have a great deal of respect for their competence, their dedication, and their integrity. Indeed, I think their work often goes undervalued in our society. And perhaps one of the benefits of this process of accountability will be to enable the American public to know a little bit more about the competence that exists in their intelligence agency. And my high regard for this competence has been reinforced in the past month as I have gone around and met the senior staffs here in this building and in our sister agencies.

I suppose there's a third reason why I should approach this job with a sense of humility, and it's because if you make mistakes in this business they're really big ones. And I'm reminded of the story of the young man who received his first presidential appointment and was confirmed by the Senate and was ready to take over his responsibilities, and his predecessor said, as he was leaving the office, "Young man, you're going to face a lot of problems in this job, and sooner or later you're going to run across a situation that you don't think you can work your way out of. So, to help you, I've left three envelopes in your desk drawer; and open them in series as you run across your problems."

So he proceeded about his job, and after he was into the job about six weeks he goofed up, found himself unable to solve the problem, was getting desperate, and suddenly remembered the envelopes. So he opened the first envelope and it said, "Say that you've only been in the job six weeks. Blame your predecessor." And he did that and it worked well.

And he proceeded on down with his responsibilities and ran up against another problem, bumbled it, opened the second envelope, and it said, "Blame the Congress. Everybody knows that the Congress is responsible for half the problems of the country." So he tried that and it worked.

And he went on, and he goofed again. And this time he went right to the desk drawer and opened the third envelope, and in it it said, "Prepare three envelopes."

[Laughter]

CARLUCCI: Well, a funny thing. Just as I was leaving Jack Blake's little reception here, I saw him stuff three envelopes into his desk drawer. So I...

But I would like to express my appreciation, too, to Jack Blake for the guidance that he has given me in this month. No one could be off to a better start, with Jack's guidance.

Thank you, Jack.

I would also like to express my thanks to my wife for leaving Lisbon, the swimming pool, the tennis court, the lovely climate.

My thanks to you, Stan, for your confidence in me.

My thanks to all of you for the great reception I've had this past month. And for those of you from the intelligence community, I look forward to working closely with you.

Thank you very much.

[Applause]

ADMIRAL TURNER: May I ask for your attention a second time, please?

I told my wife I was going to make short remarks today about Frank, and she said, "My goodness, when you have a captive audience you don't usually talk briefly." So I'm going to do it twice.

And although this is Frank and Marcia's day and Frank and Marcia's ceremony here, I would feel very remiss if I did not, in front of all of you, acknowledge the tremendous service, the tremendous contribution that Jack Blake has made in the seven months since he first stepped into the big desk behind the DDCI sign.

I went over to him one day and say, "Jack, Hank is leaving. Would you mind taking over here for a few weeks?"

[Asides]

And tremendous trouper that he is, there was no hesitation. He moved right in. None of us has felt a missed beat

since then. And I want to say that in my many years of service I've been privileged to have a number of executive officers or deputies or number twos. I've never had one more loyal, never had one more knowledgeable of his task. I never had one who was more suited to the particular time and the particular circumstance than Jack Blake.

These haven't been an easy seven months. They've been turbulent. There've been problems. And I think that history will record for all of us the tremendous impact of the steadying hand on me, on the agency, on all of us of Jack Blake. He is as dedicated, as capable, as fine a public servant as I have known. And I know that you all share that with me.

We're pleased, of course, that he's not going to be leaving just because Frank has moved into the new slot as DDCI. He's going to be staying here and continuing that same steadying, sure, confident contribution that he's always made and has particularly made in these last seven months.

Fred, would you read a citation that I would like to have read in presenting the Distinguished Intelligence Medal to Jack Blake.

MAN: Mr. John F. Blake, hereby awarded the Distinguished Intelligence Medal in recognition of his specific period of outstanding service to the intelligence community and the Central Intelligence Agency as the Acting Deputy Director of Central Intelligence from 13 July through 10 February.

His native versatility, dedication, and acuity, when combined with his broad experience of distinguished service in all major functional areas of the agency produced an exemplary example of leadership which, happily, sustained the agency through a trying interim period.

Mr. Blake's abilities to cut to the heart of complex issues, both large and small, to discern the nuances of administrative decisions and to articulate solutions with wisdom, empathy and wit won for him the admiration and gratitude of superior and subordinate alike. Indeed, the Director on occasion referred to him as the glue which held the agency together over these some six months.

As adviser and leader, Mr. Blake has set a standard of excellence which resulted in a major contribution to the Central Intelligence Agency, reflecting the highest credit upon him and the United States Government.

[Applause]

ADMIRAL TURNER: Jack, thank you.

[Confusion of voices]

ADMIRAL TURNER: It's all yours. You've got to say something to these nice people.

JACK BLAKE: I just had to tell the boss, he really pulled a coup here tonight.

It's Frank's evening. God bless him and the very, very best of wishes to him.

I'll just say one or two things, if I may.

I would like to speak primarily to my colleagues that sit around the 9 o'clock morning meeting table. I thank you for your support, your understanding, indeed your forbearance and tolerance in the last seven months or so.

I'd like to thank Stan Turner for putting the vote of confidence in me that he did and giving me another opportunity to contribute somewhat, I hope successfully, to the Central Intelligence Agency. And Stan had to put up with me; when I went home at night my wife had to put up with me. So thanks to both of them.

Thank you.

[Applause]

ADMIRAL TURNER: I'm also going to present a little memorabilia from that 9 o'clock meeting group, and it's typical of the situation that Jack has persevered in so marvelously. This is -- you'll see it in a minute, but this is a series of calendars of the months that he's been in this job and it shows the date that he started, which happened to be the 13th of July, and then it shows the date that he ended. Only, as has happened so often in all of the events, nothing quite runs as programmed, and this has him behind the eighth ball -- eight ball of the 8th of February. But the United States Senate didn't quite cooperate.

We decided the eight ball was appropriate enough that we didn't change it, Jack.

BLAKE: Thank you.

ADMIRAL TURNER: There's a plaque for you and my letter of thanks.

BLAKE: Thank you very much.

[Applause]

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FOR IMMEDIATE RELEASE

DECEMBER 22, 1977

Office of the White House Press Secretary

THE WHITE HOUSE

The President today announced his intention to nominate Frank C. Carlucci, currently the United States Ambassador to Portugal, to be the Deputy Director of Central Intelligence.

Mr. Carlucci, 47, a native of Scranton, Pa., graduated from Princeton University in 1952 and served two years in the United States Navy. He joined the Foreign Service in 1956, and served in several African countries. He served as Counselor for Political Affairs in Rio de Janeiro, 1965-69; as Assistant Director for Operations and later as Director of the Office of Economic Opportunity, 1969-71; as Associate Director and Deputy Director, Office of Management and Budget, 1971-72; as Undersecretary of the Department of Health, Education and Welfare, 1972-74; and as United States Ambassador to Portugal, from December 1974 to the present.

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